

So, the issue is how we enable enough insurance companies to determine that the risk of terrorist claims is a risk that they can assume.

That is what this legislation is all about—defining the risk so that insurers can assess and put a price on it. This legislation is about facilitating insurance companies' ability to continue to write property and casualty insurance policies. It is about providing business owners with the opportunity to buy insurance against terror claims and doing so in the private market to the extent that is possible.

This is, of course, not the first time we have faced this kind of an issue. The Federal Government has a history of partnering with the insurance industry to provide coverages for risks that are too big—too uninsurable—for the industry alone.

Current examples are the flood, crop, and nuclear liability programs, and in the past we've seen partnerships on vaccine liability and riot reinsurance. From an insurability standpoint, these risks are probably more insurable than terrorism.

Some might debate whether we should have passed the existing programs, or whether they are operated efficiently. But there should be no debate about the need for a terrorism program, and Senator DODD has structured this one the right way—with retentions and loss sharing by the industry, so the incentives are there for efficient operations.

Again, I congratulate my Connecticut colleague, Senator DODD, for his diligence in working through these complicated issues and bringing this bill to the floor. We need to defeat the amendments and enact this legislation into law as soon as possible.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, I ask unanimous consent to address the Senate as in morning business for 4 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### AIR FORCE STAFF SERGEANT ANISSA SHERO

Mr. ROCKEFELLER. Mr. President, I have the sad duty to report another death of a West Virginian in Afghanistan. For many generations, the people of West Virginia have answered the call and many have paid with their lives. West Virginians understand the cost of freedom and have always been willing to pay that cost when called for duty.

Today we are reminded again how much that cost is because we now know of the death of Anissa A. Shero in Gardez, Afghanistan. She is from Grafton, WV. This was a tragic death in an airplane crash. She is the first woman Air Force casualty in the war in Afghanistan. She was married to SSgt Nathan Shero this past September, 2001. She had just been married. He is also deployed.

Her father was a disabled Vietnam war veteran who lost both of his legs as a result of a casualty, and her grandfather fought in the Battle of the Bulge in the Second World War. She was a volunteer who chose to serve her country in the face of grave danger. When terrorists struck, she was there. She left behind the mountains of West Virginia, in a sense, to go to the mountains of Afghanistan, to risk her life so our lives would be freer and safer.

She was part of an extraordinarily successful effort to eradicate the Taliban and to make tremendous disruption to and demoralize the al-Qaida forces, and again to give us more freedom and hope. Men and women in both nations are safer now because of her work, and unfortunately because of her death.

All of us who value freedom owe Sergeant Shero a profound debt of gratitude and honor, and I know the thoughts and prayers of many people in this Chamber, the other body, and all over America, certainly all over West Virginia, are like mine, with her family and her friends. She represented the very best of West Virginia and the very best of America. She was strong, courageous, and dedicated. She will forever serve as a role model for West Virginians, for men and women alike, who love their country and who, like her, know that our ideals are worth fighting for.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. HAGEL. Mr. President, I ask unanimous consent that I be allowed to address the Senate as in morning business.

Mr. SARBANES. Mr. President, may I inquire how long the Senator is asking for?

Mr. HAGEL. I would need no more than 15 minutes.

The PRESIDING OFFICER. The Senator is recognized for up to 15 minutes.

#### PEACE IN THE MIDDLE EAST

Mr. HAGEL. Mr. President, I rise today to address an issue of urgent concern for American foreign policy: the situation in the Middle East and its implications for our war on terrorism.

Yesterday the majority leader offered three principles to guide our policy in the Middle East. I share his concern about the gravity of the situation we face and his affirmation of American support for Israel, and the imperative of American leadership in helping bring about a lasting peace in the region.

Time is not on our side. In April, I spoke before this body in support of President Bush's leadership in bringing a diplomatic resolution to this conflict. I applaud the President and his team for their progress so far in assembling the pieces of a potentially historic agreement and coalition for peace. But we are still only at the beginning of a long and difficult process.

What happens in the Middle East cannot be separated from our interests in the war on terrorism. If we fail in peace-making between Israel and her neighbors, there will be grave consequences for the United States, Israel, and the world. We will further empower the terrorists and extremists, those who thrive, find refuge, and recruit in conditions of poverty, violence, and despair. We must help secure a vision of hope for the people of the Middle East in order to reclaim the peace initiative.

It is time to put the endgame up front in the Israeli-Palestinian conflict. The Palestinians must have a state, with contiguous and secure borders, and Israel must have a state without terrorism and with secure borders. President Bush endorsed the concept of a Palestinian state in a historic speech to the United Nations last year. If we do not address this, the core political issue of this conflict, we will allow the extremists on both sides to win. And then we will all lose: Palestinians, Israelis, Arabs, Americans, the world.

Strong, engaged, steady, and visionary American leadership is a predicate for the future of the Middle East. The Arab League peace proposal, at the initiative of Crown Prince Abdullah of Saudi Arabia, calls for normal relations between Israel and the Arab world and presents a unique and historic opportunity for peace. The Bush administration may be considering recognizing a transitional or provisional Palestinian state, with the specific details to be worked out over time, an idea similar to the Peres-Abu Ala agreement of last year. The so-called "Quartet"—US, Russia, the EU, and the UN—provides an international context for this possibility and a revived diplomatic track.

The pieces may be in place, the image of an idea for peace forming on the horizon, although the work ahead will be difficult. There are no easy answers or risk-free options. We can no longer defer the tough decisions on Israeli settlements, Palestinian refugees, borders, and the status of Jerusalem. The time for a step-by-step sequential process has come and gone. We are close to reaching a line of demarcation, where only bold and courageous leadership on all sides can show the way to a resolution.

Israel must make some hard choices for peace. It knows that military means alone will not end terrorism. Settlements in the occupied West Bank and Gaza must end. Israel should withdraw its military from the Palestinian towns it has re-occupied, as soon as the security situation allows. The emphasis for Israel must be on developing a coalition of common interests including our Arab allies and the United States to form the core of a peace coalition. Israel should move closer to this coalition and away from isolation and reliance on only the military option to ending the crisis.

The Israeli people have suffered too much and too long from terrorism. It